CLAIMS

I claim

1. A method for creating and using programmable financial instruments, said method comprising:

selecting a program;

defining one or more financial instruments, the financial instruments having a plurality of characteristics, the step of defining comprising:

    selecting a type for each financial instrument, said type subject to modification by the program;

    selecting a set of terms and conditions for each financial instrument, the terms and conditions subject to modification by the program.

2. The method of claim 1, where said financial instrument's program modifies its state in response to its environment.
3. The method of claim 2, where said program seeks out counterparties for financial transactions.
4. The method of claim 3, where said counterparties comprise internet/web agents.
5. The method of claim 3, where said counterparties comprise virtual devices.
6. The method of claim 3, where said counterparties comprise physical devices.
7. The method of claim 3, where said transactions involve borrowing one or more financial instruments.
8. The method of claim 3, where said transactions involve lending one or more financial instruments.
9. The method of claim 3, where said transactions involve securitization of one or more financial instruments.
10. The method of claim 9, where said securitization includes the creation of tranches of securities.
11. The method of claim 1, where the financial instrument interacts with one or more financial trading systems external to said instrument.
12. The method of claim 11, where one or more of said financial trading systems is used for simulation of trading strategies.
13. The method of claim 12, where said simulation takes place in real time.

14. The method of claim 11, where one or more of said financial trading systems is used for optimization of trading strategies.

15. The method of claim 14, where said optimization takes place in real time.

16. The method of claim 11, where one or more of said financial trading systems is used for risk management.

17. The method of claim 16, where said risk management takes place in real time.

18. The method of claim 1, where said financial instrument acts as a credit manager.

19. The method of claim 18, where said credit manager establishes one or more escrow accounts for one or more borrowers.

20. The method of claim 19, where said escrow accounts are allocated a programmatically determined portion of said borrowers' payments to said credit manager.

21. The method of claim 20, where said escrow accounts are used to establish a uniform rate of interest for all borrowers.

22. The method of claim 19, where said credit manager actively manages the funds in said escrow accounts.

23. The method of claim 1, where said program is an internet/web agent.

24. A system for creating programmable financial instruments, said system comprising: a means for selecting a program;

a means for defining one or more financial instruments, said financial instruments having

a plurality of characteristics, said definition comprising:

    means for selecting a type for the financial instruments, said type subject to modification by the program;

    means for selecting a set of terms and conditions for the financial instruments, said terms and conditions subject to modification by said program.

25. The method of claim 1, wherein said method is facilitated by one or more computers.

Programmable Financial Instruments